

**AMENDMENT TO THE REDEVELOPMENT PLAN  
FOR THE LEGACY BEND REDEVELOPMENT AREA OF  
THE CITY OF NORFOLK, NEBRASKA**

**(PHASE II OF LEGACY BEND REDEVELOPMENT PROJECT)**

A. Introduction

This Amendment to the Redevelopment Plan for the Legacy Bend Redevelopment Area of the City of Norfolk, Nebraska ("Amendment") is a guide for redevelopment activities undertaken in the Legacy Bend Redevelopment Area to remove or eliminate blight and substandard conditions within the City of Norfolk, Nebraska (the "City").

On January 16, 2018, the City approved and adopted the Redevelopment Plan for the Legacy Bend Redevelopment Area of the City of Norfolk, Nebraska ("Redevelopment Plan"). The Redevelopment Plan set forth the first phase of the Project ("Phase I"). The Redevelopment Plan provided that Redeveloper would detail subsequent phases via amendments to the Redevelopment Plan. This Amendment sets forth the second phase of the Project ("Phase II"). Any capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Redevelopment Plan. This Amendment incorporates the terms of the Redevelopment Plan as if they were included herein; provided, however, that if the terms of this Amendment conflict with the Redevelopment Plan, this Amendment shall control.

This Amendment has been established in accordance with the requirements of the Nebraska Community Development Law, **Neb. Rev. Stat.** §§ 18- 2101 through 18-2154, as amended (the "Act"), the Redevelopment Plan and the Comprehensive Plan of the City.

A. Incorporation of Redevelopment Plan and Exhibits

As provided above, this Amendment incorporates the Redevelopment Plan. With respect to Exhibit "C" of the Redevelopment Plan, Redeveloper has combined the second and third phases into a single phase, thereby reducing the number of phases for the Project to seven. Additionally, the improvements for each phase have changed due to shifting market demands and construction schedules. As such, this Amendment amends and replaces the "Future Land Use Narrative" under Exhibit "C" of the Redevelopment Plan as follows:

"Phase I" – Phase I is projected to begin in 2018 and will consist of approximately 27 single family homes that will require roughly \$1,000,000 in infrastructure costs. Redeveloper estimates the post-redevelopment valuation for Phase I at \$7,000,000.

"Phase II" – Phase II will consist of approximately 41 single family homes, 8 townhouses and 105 multi-family dwelling units that will require approximately \$2,183,783 in infrastructure costs. Redeveloper estimates the post-redevelopment valuation for Phase II at \$20,695,041.

"Phase III" – Phase III will consist of approximately 40 single family homes and 32 multi-family dwelling units that will require roughly \$1,200,000 in infrastructure costs. Redeveloper estimates the post-redevelopment valuation for Phase III at \$11,400,000.

"Phase IV" – Phase IV will consist of approximately 26 single family homes and 32 multi-family dwelling units that will require roughly \$1,000,000 in infrastructure costs. Redeveloper estimates the post-redevelopment valuation for Phase IV at \$9,000,000.

"Phase V" – Phase V will consist of approximately 17 single family homes and 55 multi-family dwelling units that will require roughly \$800,000 in infrastructure costs. Redeveloper estimates the post-redevelopment valuation for Phase V at \$9,600,000.

"Phase VI" – Phase VI will consist of approximately 11 single family homes that will require roughly \$200,000 in infrastructure costs. Redeveloper estimates the post-redevelopment valuation for Phase VI at \$3,400,000.

"Phase VII" – Phase VII will consist of approximately 13 single family homes and 43 townhouses that will require roughly \$1,100,000 in infrastructure costs. Redeveloper estimates the post-redevelopment valuation for Phase VII at \$10,600,000.

The total estimated post-redevelopment value of the Project is \$71,695,041 with approximately \$7,483,783 in infrastructure costs.

#### B. Phase II Project Site

Exhibit "1", attached hereto and incorporated herein, sets forth the revised boundaries for Phase I and Phase II of the Project. The boundaries for Phase II are divided into sub-phases, consisting of Phase S2A, Phase S2B, Phase S2C, Phase S2D, Phase M2A and Phase M2B (collectively, the "Phase II Project Site"). Phase S2A, Phase S2B, Phase S2C and Phase S2D encompass lots that Redeveloper intends to develop as single family homes. Phase M2A and Phase M2B encompass lots that Redeveloper intends to develop as multi-family units and townhouses.

The Phase II Project Site is in need of redevelopment. The Community Development Agency for the City ("CDA") has considered whether redevelopment of the

Phase II Project Site will conform to the General Redevelopment Plan set forth in Article I of the Redevelopment Plan, and the coordinated, adjusted, and harmonious development of the City and its environs. The CDA finds that such redevelopment of the Phase II Project Site will promote the health, safety, morals, order, convenience, prosperity, and the general welfare of the community including, among other things, the promotion of safety from fire, the promotion of the healthful and convenient distribution of population, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary and unsafe dwelling accommodations or conditions of blight.

The Phase II Project Site generally consists of vacant, undeveloped land located in the Legacy Bend Redevelopment Area. The blighted condition of the Phase II Project Site and the lack of adequate utilities and infrastructure to serve the Phase II Project Site contribute to its inability to attract development. The Location of the Phase II Project Site is attractive for mixed-use development of single family residential and multiple dwelling units. However, the initial upfront costs associated with necessary infrastructure makes development of the Phase II Project Site not feasible without the assistance of tax-increment financing ("TIF"). As such, Redeveloper would not undertake construction of Phase II without the assistance of TIF. Redevelopment of the Phase II Project Site pursuant to this Amendment will include eligible expenditures under the Act and will further the purposes of the Act in conformance with the Redevelopment Plan.

### C. Description and Implementation of Phase II

Redeveloper proposes to redevelop the Phase II Project Site into residential uses, as depicted on the preliminary site plan for the Project attached hereto and incorporated herein as Exhibit "2".

As reflected on the site plan, Redeveloper intends to subdivide the Phase II Project Site. Phase II will consist of approximately 41 single family homes, 8 townhouses and 105 multi-family dwelling units. As shown on Exhibit "2", Redeveloper will construct the Phase II improvements in multiple sub-phases based upon the rate of construction, such that the "effective date" (as provided under section 18-2147 of the Act) for purposes of TIF will be determined on a lot by lot basis in order to maximize the TIF proceeds available to help finance the public improvements. Redeveloper anticipates six sub-phases within Phase II; however, because the market will determine the actual completion schedule for each sub-phase, Phase II requires flexibility and may have more or less sub-phases.

Subsequent to the approval of this Amendment, Redeveloper and the CDA will enter into a redevelopment contract (as defined in the Act) with respect to Phase II of the Project. Upon the completion of each sub-phase thereof, Redeveloper will submit to the CDA an amendment to the redevelopment contract on a form prescribed by the CDA. Each

amendment to the redevelopment contract shall set forth the "effective date" for the pertinent sub-phase and must be submitted to the CDA on or before June 30 of the year in which taxes are to be divided for such sub-phase.

Redeveloper will pay the costs of the private improvements for Phase II, including the construction of the residential buildings and associated improvements. Redeveloper will incur the costs for public infrastructure for the M2A and M2B phases (multi-family units) including, but not limited to: paving, sanitary sewer, storm sewer and water. With respect to the Phases S2A, S2B, S2C and S2D, either Redeveloper or the City will pay for public infrastructure improvements. If the City undertakes the public infrastructure improvements, it will form special assessment districts to recapture the associated costs. Redeveloper will capture available TIF revenues generated by the redevelopment of the Phase II Project Site to assist in paying for eligible improvements, assessments, special assessments, fees, land acquisition and other expenses that are listed as eligible expenditures under the Act. The specific public improvements for which the available tax increment revenues generated by the Project will be used will be described in more detail in the redevelopment contract, or amendment thereof, for Phase II. The public infrastructure improvements for Phase II will meet the increased need for public infrastructure and utilities resulting from Phase II.

The redevelopment of the Phase II Project Site pursuant to this Amendment will eliminate the blight and substandard conditions on the Phase II Project Site and will further the purposes of the Act in conformity with the Redevelopment Plan and Comprehensive Plan of the City.

Phase II is not feasible without the use of TIF to assist with the costs of the public improvements. Due to the scope of the Phase II and the costs of the public improvements related thereto, it is expressly acknowledged that the Redeveloper would not undertake Phase II without the anticipated use of TIF for subsequent phases of the Project. As such, Redeveloper may apply the TIF proceeds generated from each phase of the Project toward the payment of the eligible expenses of the entire Project, if necessary.

### C. Subsequent Phases

Subsequent phases of the Project constituting a substantial modification of the Redevelopment Plan (as provided in the Act) will require an amendment to the Redevelopment Plan. Further, each phase of the Project will be governed by a separate redevelopment contract between the Redeveloper and the CDA which will describe the private improvements and the public improvements to be constructed in each phase.

#### D. Cost-Benefit Analysis

As set forth in the Redevelopment Plan, Redeveloper and the CDA contemplate the use of TIF to assist with the cost of eligible improvements for Phase II of the Project. Accordingly, a statutory cost-benefit analysis is attached hereto as Exhibit "3" and incorporated herein by this reference.

#### E. Statutory Elements

Attached as Exhibit "4" and incorporated herein by this reference is a consideration of the statutory elements under the Act related to Phase II.

#### Exhibits:

Exhibit "1" – Phase II Project Site

Exhibit "2" – Phase II Site Plan

Exhibit "3" – Phase II Cost-Benefit Analysis

Exhibit "4" – Phase II Statutory Elements

**Exhibit "1"**  
**Phase II Project Site**

Legal Description for Phase II Project Site:

A TRACT OF LAND LOCATED IN PART OF THE EAST HALF (E1/2) OF SECTION TWENTY-THREE (23), TOWNSHIP TWENTY-FOUR (24) NORTH, RANGE ONE (1) WEST OF THE 6TH P.M., CITY OF NORFOLK, MADISON COUNTY, NEBRASKA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SECTION 23; THENCE ON AN ASSUMED BEARING OF S87°32'05"W, ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER, A DISTANCE OF 80.87 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING S87°32'05"W, ALONG SAID NORTH LINE OF THE SOUTHEAST QUARTER, A DISTANCE OF 170.86 FEET; THENCE S76°21'01"W A DISTANCE OF 163.04 FEET; THENCE N22°02'08"W A DISTANCE OF 60.16 FEET; THENCE S70°55'55"W A DISTANCE OF 131.99 FEET; THENCE S75°59'37"W A DISTANCE OF 60.60 FEET; THENCE S65°46'15"W A DISTANCE OF 112.32 FEET; THENCE S23°23'09"E A DISTANCE OF 63.98 FEET; THENCE S20°55'21"E A DISTANCE OF 148.49 FEET; THENCE S19°11'04"E A DISTANCE OF 61.04 FEET; THENCE S16°48'11"E A DISTANCE OF 171.93 FEET; THENCE S21°04'17"E A DISTANCE OF 179.44 FEET TO A POINT ON THE NORTH LINE OF A TRACT OF LAND SURVEYED BY JAI JASON ANDRIST ON MARCH 24TH, 2015; THENCE S87°33'00"W, ALONG SAID NORTH LINE OF A TRACT OF LAND, A DISTANCE OF 702.83 FEET TO THE INTERSECTION OF SAID NORTH LINE OF A TRACT OF LAND AND THE EAST LINE OF A FLOOD PROTECTION CHANNEL; THENCE N43°07'38"W, ALONG SAID EAST LINE OF A FLOOD PROTECTION CHANNEL, A DISTANCE OF 872.49 FEET TO A POINT ON SAID NORTH LINE OF THE SOUTHEAST QUARTER; THENCE N43°41'07"W, CONTINUING ALONG SAID EAST LINE OF A FLOOD PROTECTION CHANNEL, A DISTANCE OF 37.91 FEET; THENCE N56°26'25"E A DISTANCE OF 316.97 FEET; THENCE N54°59'15"E A DISTANCE OF 42.93 FEET; THENCE S43°07'38"E A DISTANCE OF 109.96 FEET; THENCE N46°18'24"E A DISTANCE OF 375.51 FEET; THENCE N58°05'30"E A DISTANCE OF 59.99 FEET; THENCE S31°54'23"E A DISTANCE OF 306.49 FEET TO A POINT OF CURVATURE; THENCE ON A 1971.27 FOOT RADIUS CURVE TO THE RIGHT HAVING A CHORD BEARING OF N66°24'53"E WITH A CHORD DISTANCE OF 257.63 FEET; THENCE S26°53'56"E A DISTANCE OF 17.27 FEET; THENCE N76°13'28"E A DISTANCE OF 262.12 FEET; THENCE N82°22'27"E A DISTANCE OF 208.10 FEET; THENCE N02°15'05"W A DISTANCE OF 22.27 FEET; THENCE N86°54'44"E A DISTANCE OF 96.75 FEET; THENCE N87°44'55"E A DISTANCE OF 78.20 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF VICTORY ROAD; THENCE S02°15'05"E, ALONG SAID WEST RIGHT OF WAY LINE OF VICTORY ROAD, A DISTANCE OF 312.11 FEET TO THE POINT OF BEGINNING. SAID TRACT CONTAINS A CALCULATED AREA OF 1,000,564 SQUARE FEET OR 22.97 ACRES MORE OR LESS.

\* Subsequent to the approval of this Amendment, Redeveloper intends to subdivide the Phase II Project Site as shown on Exhibit "2". Subsequent to said subdivision, the above legal description shall be replaced with the legal description provided in the replat of the Phase II Project Site approved by the City. Such replatting may occur by sub-phase. Any discrepancy between the legal description and below depiction of the Phase II Project Site should be decided in favor of the legal description.

Depiction of Phase II Project Site:

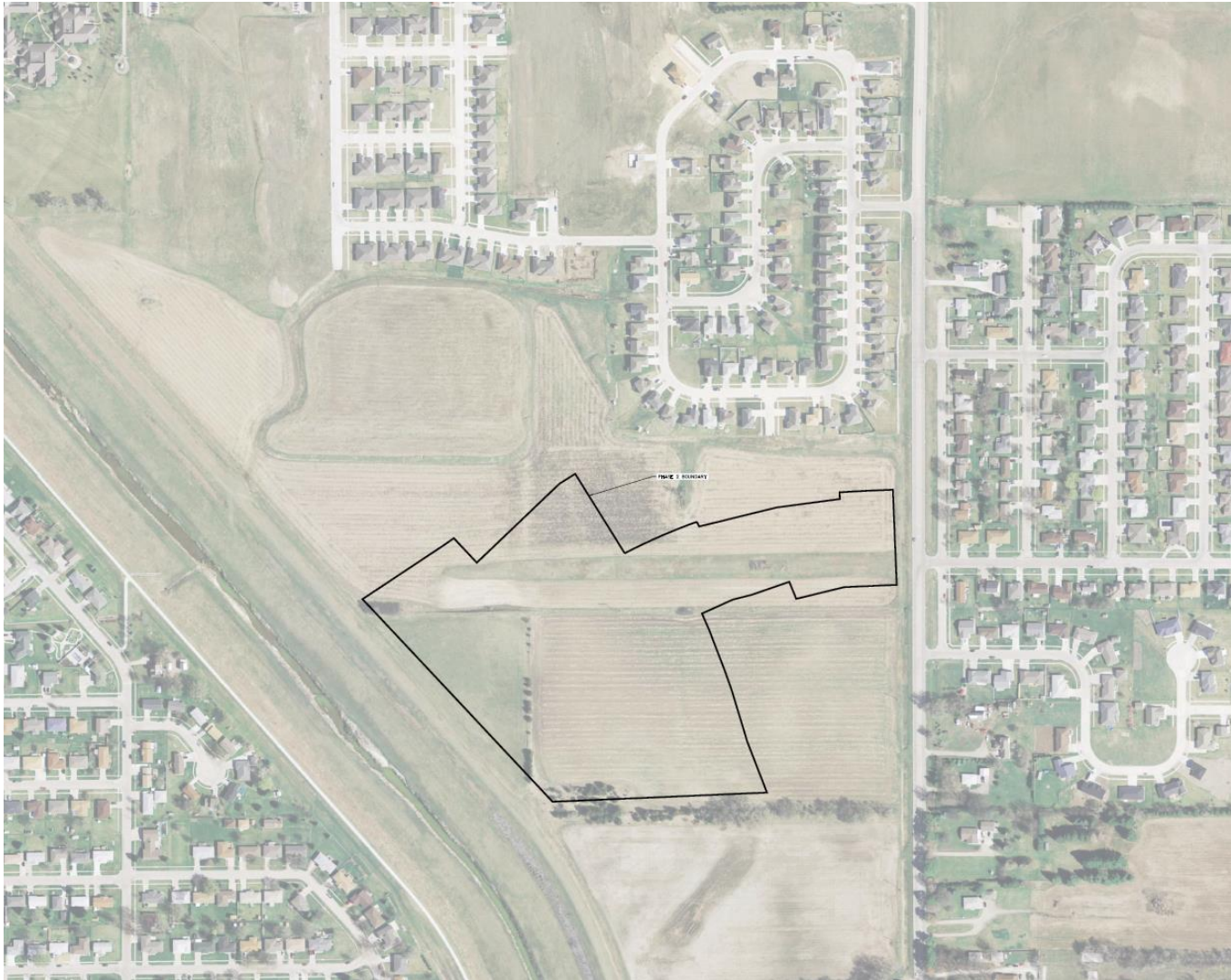
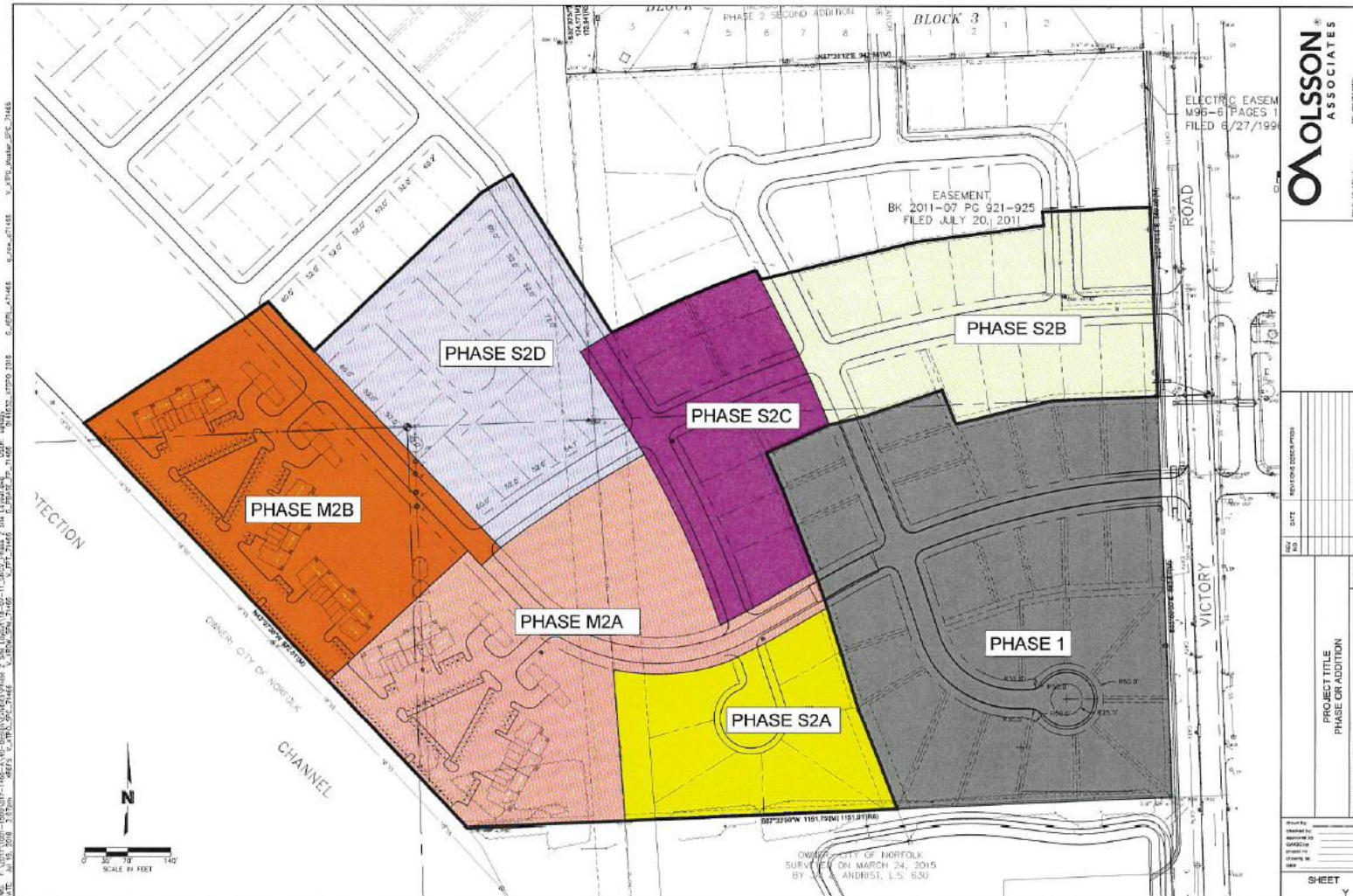


Exhibit "1"

# **Exhibit "2"** **Phase II Site Plan and Future Land Use**



\* The above site plan is preliminary in nature and subject to change.

**Exhibit "3"**  
**Cost-Benefit Analysis for Phase II**

Section 18-2113 of the Act requires the CDA conduct a cost-benefit analysis for each redevelopment project for which TIF will be used. This analysis addresses the following statutory issues pertaining to Phase II of the Project:

**Phase II Sources and Uses.** Approximately \$4,785,488 in public funds from tax increment financing provided by the CDA will be required to complete Phase II. This investment by the CDA will leverage \$15,909,553 in private sector financing; a private investment of approximately \$3.32 for every TIF dollar.

Use of Funds			
Description	TIF Funds	Private Funds	Total
Site Acquisition	560,000	0	560,000
Site Preparation/Infrastructure – paving, sanitary sewer, storm sewer and water	2,183,783	0	2,183,783
Street Trees/ Street Lights /Neighborhood Park Equipment	125,000	275,000	400,000
Legal/Accounting, Finance	281,480	145,450	426,930
Building Costs	0	14,620,878	14,620,878
Architecture Engineering	375,225	198,225	573,450
Planning, Development and Permitting	650,000	0	650,000
Contingencies	610,000	670,000	1,280,000
<b>TOTALS</b>	<b>4,785,488</b>	<b>15,909,553</b>	<b>20,695,041</b>

**Tax Revenue.** The Phase II Project Site is anticipated to have a January 1, 2018, valuation of approximately \$127,641. Based on the 2017 levy this would result in a real property tax of approximately \$2,487. It is anticipated that the assessed value will increase by \$20,567,400 upon full completion as a result of redevelopment. This redevelopment will result in an

estimated tax increase of approximately \$400,863 annually. The tax increment gained from Phase II would not be available for use as City general tax revenues for the lesser of 15 years from the effective date (as defined in the Act) or the time as may be required to amortize the TIF bond, but would be used for eligible redevelopment costs to enable Phase II to be realized.

Estimated 2018 assessed value:	\$127,641
Estimated value after completion:	\$20,695,041
Increment value:	\$20,567,400
Annual TIF generated (estimated):	\$400,863
TIF bond issue:	Not to exceed \$4,785,488

*\* The projected tax increment is based on assumed values and levy rates; actual amounts and rates will vary from those assumptions, and it is understood that the actual tax may vary materially from the projected amount. The levy rate is assumed to be the 2017 levy rate. There has been no accounting for incremental growth over the 15 year TIF period.*

***(a) Tax shifts resulting from the approval of the use of Tax Increment Financing;***

The Phase II Project Site currently has an estimated valuation of \$127,641. The proposed redevelopment will create additional valuation of \$20,567,400. As such, redevelopment of the Phase II Project Site will create additional valuation that will support taxing entities long after the taxes are divided. No tax shifts are anticipated from the project.

Additionally, Phase II will require considerable purchases of construction materials, resulting in sales taxes collected by the City.

***(b) Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project;***

No additional public service needs have been identified other than the public infrastructure constructed to serve the Phase II Project Site. Existing water and waste water facilities will not be negatively impacted by this development. The electric utility has sufficient capacity to support the development. Fire and police protection are available and should not be negatively impacted by this development.

***(c) Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project;***

Phase II will have minimal impact on employers or employees within the Phase II Project Site. However, the development will increase housing availability in northeast Norfolk and may positively impact recruitment of employees for businesses located in this part of the community.

***(d) Impacts on other employers and employees within the city or village and the immediate area that are located outside of the boundaries of the area of Phase II:***

Phase II should have a positive impact on other employees and employers within the Norfolk area by helping alleviate the existing housing shortage to provide housing for current and future employees of employers within the City and the immediate area.

***(e) Impacts on student populations of school districts within the City:***

The addition of school age children as a result of this redevelopment project will have an impact on the Norfolk School District. Assuming each dwelling will result in 2.35 persons and there is a traditional family in each dwelling, a student population increase of .35 children per dwelling is possible. Single parents with multiple school age children will skew this number higher. The district will not receive taxes from the housing built during the time the increased taxes are utilized to pay the TIF bond. The district has received state aid to education in the past. Part of the school aid formula involves assessed valuation in the district. The valuation that generates the TIF bond payments is not included in the formula and does not count against the state aid that the district would receive. Taxes on any increase in the base value of the land will benefit the school district. After the TIF bond is paid, or at the end of the respective 15 years of division of taxes, whichever is sooner, the increased valuation from the residential construction will be available to all taxing entities.

***(f) Any other impacts determined by the CDA to be relevant to the consideration of costs and benefits arising from the second phase of the redevelopment project.***

Phase II consists of a housing project in northeast Norfolk. It should encourage the development of additional retail in close proximity to the development and will be the catalyst for future phases.

***(g) Assessment districts and Infrastructure***

Assessment districts may be formed to facilitate water, sewer, and paving on a portion of the Phase II Project Site. If formed, Redeveloper will utilize TIF to repay the assessments. The assessment districts will be amortized over 10 years, and will be kept current by Redeveloper.

***(h) But-For Determination***

With a total build cost of \$20,695,041, Phase II would not be feasible except for the availability of TIF in the amount not to exceed \$4,785,488, which is necessary to offset the base cost of infrastructure and other attached costs that occur early in the Project but cannot

be recovered for many years.

**Exhibit "4"**  
**Phase II Statutory Elements**

**Property Acquisition, Demolition and Disposal**

No public acquisition of private property or relocation of families or businesses is necessary to accomplish Phase II.

**Population Density**

Phase II will increase population density in the area. However, the City desires an increase in population density in the area to provide additional housing in the City. Phase II will be properly platted to accommodate the increase in population density and adequate public infrastructure improvements to accommodate any increase in population density anticipated as part of Phase II.

**Land Coverage**

The Phase II Project Site is currently vacant and undeveloped. Post redevelopment, the Phase II Project Site will consist of approximately 41 single family homes, 8 townhouses and 105 multi-family dwelling units. Phase II will comply with all applicable land coverage ratios required by the City.

**Traffic Flow, Street Layouts and Street Grades**

The CDA and Redeveloper anticipate that Phase II will increase traffic to and from the Phase II Project Site. There will be additional traffic from residents traveling to and from the apartments and residences.

As part of Phase II, Redeveloper will construct internal roadways to address the increase in traffic and the accessibility of the private improvements. The CDA and Redeveloper do not anticipate that Phase II requires modification of existing public rights-of-way. The improvements for Phase II will address any traffic and street infrastructure concerns that would otherwise be created by Phase II. All streets and other public infrastructure constructed will be subject to review and approval by the City's engineer.

**Parking**

Phase II will include parking facilities that will meet or exceed the parking requirements set forth in the applicable zoning district for the multi-family units.

The design and development of Phase II should increase the efficiencies and beneficial traffic flow of the parking for all the uses located within the Phase II Project Site.

### **Zoning, Building Code and Ordinances**

The Phase II Project Site is located within a R-2 zoning district. Single family homes are a permitted use in R-2 zoning districts. As part of Phase II, Redeveloper will re-zone part of the Phase II Project Site to allow for townhomes and multi-family dwellings. Townhomes are a permitted use in R-3 zoning districts and a conditional use in R-2 zoning districts. Multi-family dwellings are a permitted use in R-3 zoning districts. Redeveloper will re-zone the Phase II Project Site accordingly. Redeveloper shall be responsible for all zoning, building code and ordinance changes required to carry out Phase II.